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OREGON'S RETIREMENT SYSTEM

PERS increases will put pressure on tight budgets for local governments

By Jolene Guzman
The Itemizer-Observer

POLK COUNTY — Local governments' 2017-18 fiscal year budgets have a shadow looming over them in the form of Oregon Public Employees Retirement System rate increases.

PERS officials say rising rates won't be an anomaly, continuing for the foreseeable future.

"As a human being I'm like, wow PERS, it's awesome, but as a manager, I hate PERS," said Monmouth City Manager Scott McClure.

He's probably not alone in his mixed feelings about the pension program, created in 1945 by the Oregon Legislature to see that public employees maintained some income when their working days were over.

McClure estimated the city of Monmouth will see PERS costs increase by \$140,000 for the upcoming fiscal year.

Combined with other increases, that means the city needs to either cut spending or find ways to increase revenue. He said the city has already begun to draw down reserves in past budgets.

"We changed budget practices to see how that would affect overall spending, so you either cut something or come up with some new money because we can't keep spending the way we're spending, and everybody knows it," McClure said.

The Dallas School District is looking at a \$660,000 increase, and for Central, the figure is \$915,000. Polk

PERS

What do employer contribution rate changes mean for Polk County and already tight budgets?

<p>POLK COUNTY Rate increase: Tier 1 & 2 3.83%, OPSRP 2.32%; OPSRP Police & Fire 2.98% Estimated 2017-18 cost: \$550,000 to \$600,000.</p>	<p>CENTRAL SCHOOL DISTRICT Rate increase: Tier 1 & 2 6.99%, OPSRP 6.35% Estimated 2017-18 cost: \$915,000</p>
<p>POLK COUNTY FIRE DISTRICT NO. 1 Rate increase: Tier 1 & 2 4.09%, OPSRP 1.37%; OPSRP Police & Fire 2.03% Estimated 2017-18 cost: unavailable.</p>	<p>FALLS CITY SCHOOL DISTRICT Rate increase: Tier 1 & 2 6.06%, OPSRP .81% Estimated 2017-18 cost: unavailable</p>
<p>CITY OF DALLAS Rate increase: Tier 1 & 2 4.57%, OPSRP 2.95%; OPSRP P&F 3.61%; Estimated 2017-18 cost: \$170,000.</p>	<p>DALLAS SCHOOL DISTRICT Rate increase: Tier 1 & 2 4.87%, OPSRP 4.23% Estimated 2017-18 cost: \$660,000.</p>
<p>CITY OF FALLS CITY Rate increase: Tier 1 & 2 3.83%, OPSRP 1.75%; OPSRP P&F 2.41%; Estimated 2017-18 cost: unknown, but expected to be small.</p>	<p>PERRYDALE SCHOOL DISTRICT Rate increase: Tier 1 & 2 4.87%, OPSRP 4.23% Estimated 2017-18 cost: unavailable.</p>
<p>CITY OF INDEPENDENCE Rate increase: Tier 1 & 2 4.99%, OPSRP 3.23%; OPSRP P&F 3.89%; Estimated 2017-18 cost: \$120,550.</p>	
<p>CITY OF MONMOUTH Rate increase: Tier 1 & 2 2.88%, OPSRP 2.91%; OPSRP P&F 3.57% Estimated 2017-18 cost: \$140,000.</p>	

Changes to Oregon Public Employees Retirement System rates will be costing local governments more.

County will see between \$550,000 to \$600,000. The city of Dallas' estimate is about \$170,000, and Independence is anticipating \$120,550 more in 2017-18.

PERS revenue comes from three sources: Investment earnings (73.4 percent), employer contributions (21.1 percent), and member contributions (5.5 percent).

David Crosley, the PERS communication director, said systemwide PERS rates charged to government entities — the employer contributions portion — will rise on average about 4 percent for 2017-19. That represents \$885 million in increased costs. Governments are paying \$2 billion into the system, and will pay \$2.8 billion in 2017-19.

Estimates have rates growing at the same percentage every two years through the 2021-23 biennium, Crosley said.

Crosley said the main cause behind employer rate growth is the difference between what employees have already earned, called "accrued liability," and the funding available to pay those benefits, called the "unfunded actuarial liability." In 2015, the number sat at almost \$22 billion.

He said past practices helped create that problem. Decisions made in the and 1980s and 1990s, when the program was making large investment earnings and crediting accounts at high percentages, allowed employees to retire with annual benefits that sometimes matched 100 percent or more of their salaries.

"The system was never designed to pay that much," Crosley said.

But those benefits were guaranteed, so when earnings fell back to earth, higher employer rates were necessary to make the equation "benefits = contributions + earnings" match.

"It's a balance that we have to strike," Crosley said. The past can't be undone, at least not according to Oregon Supreme Court decisions overturning cost-controlling reforms, Crosley said. Those judges receive PERS.

See PERS, Page 6A

IN YOUR TOWN

DALLAS
Nominations for the Dallas Community Awards are due Friday at noon.
»Page 5A

FALLS CITY
Falls City named a Tree City USA.
»Page 2A

INDEPENDENCE
New chamber director ready to jump in.
»Page 3A

MONMOUTH
Visor cards for deaf/hard of hearing drivers arrive.
»Page 7A

SPORTS
Dallas swimmers learning to love the water.
»Page 10A

Get involved in Central's search
Itemizer-Observer staff report
INDEPENDENCE — Central School District will host a community forum regarding the superintendent search on Thursday at 6:30 p.m. in the Central High School Cafeteria, 750 S. Fifth St. in Independence.

Anyone who is not able to attend is invited to fill out the Central SD 13J Superintendent Search at central.k12.or.us.

A report of overall results will be submitted to the school board for its consideration in developing a profile for prospective candidates and use in search literature.

'Winter Wonderland' postponed

MONMOUTH — Due to unforeseen circumstances, the Winter Wonderland has been postponed until Thursday from 1 to 3 p.m. at the Monmouth Senior Center, 180 S Warren St.

It seems to be working out well to have postponed, as more people are coming.

Food and gifts will be provided. Participants do not need to bring anything.

Confirm with the senior center if you are still planning on attending so the center's volunteers can keep count for food purposes.

For more information: 503-838-5678.

Ella Curran Food Bank feeds thousands

About 9,000 visits to the food bank in 2016 meant fewer people went hungry

By Emily Mentzer
The Itemizer-Observer

INDEPENDENCE — Patty Nevue is just about to her one-year anniversary as director of the Ella Curran Food Bank.

She has seen the ebb and flow of the donation cycle, and said the food bank — and all who use it — is blessed to have so much support from the community year-round.

Contributions have served about 9,000 visits to the food bank in 2016.

"Now there can be overlapping people, but that's, like, 700 people in a month," Nevue said. The food bank is open just 10 hours a week, so that's roughly 17 people an hour. "It's surprising."

Nevue took the job from Pat Jaffer in January 2016. She said she was surprised to see the scope of people served by the food bank.

"It's really all demographics," she said. "It's workers, newly unemployed, young people, lots of senior citizens, people who are just



EMILY MENTZER/Itemizer-Observer
Patty Nevue, left, and Linda McBurney work collaboratively to supply the Ella Curran Food Bank to feed those in need in the Monmouth and Independence communities.

getting started — it's everything. Some people will use the food bank for a long time because of their life situation, and then some people use it for a short time and then end up being donors."

Right now, the pantry is filled with donations from the holidays — a time when people's minds are generally

shifted toward helping others. Shelves are stacked with a variety of vegetables and fruit — something that is usually in high demand and low supply.

Throughout the year, various food drives from the Scouts, churches, schools and the U.S. Postal Service help keep the food bank stocked, as well as contributions from the Marion-Polk Food Share, with which Ella Curran is associated.

One of the more consistent donations comes from the Mon Indy Food Project's green bags, Nevue said.

"Now that I've seen a year of how it all comes in, the end of September and October, it gets a little bit lower (in terms of what's on the shelves), and our community, because of their involvement with churches, and libraries, and different things — and the green bags — we made it through, where other pantries have a hard time," she said.

The green bags have brought in 14,000 pounds of food in 2016, Nevue said.
See FOOD, Page 3A

THE NEXT 7 DAYS PLANNING FOR YOUR WEEK

wed
Put your Scrabble skills to the test at Independence Public Library at Scrabble with Betty. Prizes and snacks available. 1 p.m. Free.

Snow
Hi: 31
Lo: 17

thu
Join the Dallas Lions Club at Hong Kong Restaurant for a no-host lunch and a speaker. Noon. Free.

Sunny
Hi: 32
Lo: 17

fri
Jam with other musicians at the Guthrie Park Acoustic Music Jam session, on Kings Valley Highway. 6:30 p.m. Free.

Partly sunny
Hi: 34
Lo: 25

sat
Need health care? Head to the Polk Community Free Clinic at Trinity Lutheran Church in Dallas. 7-11 a.m. Free.

Rain
Hi: 36
Lo: 33

sun
Grab breakfast at Buell Grange Hall on Mill Creek Road, just off Highway 22, northwest of Dallas. 8-11 a.m. \$6.

Rain
Hi: 42
Lo: 36

mon
It's never too late to learn an instrument with Willamette Valley New Horizons Orchestra. Players of all levels welcome. 6:30 p.m. \$25/mo.

Rain
Hi: 41
Lo: 36

tue
Looking for something to occupy your young child? The Indoor Play Park at First Presbyterian may be the answer. 9:30 a.m. Free.

Showers
Hi: 42
Lo: 36